

Office of the State Board of Education

STARS Number & Budget Unit: 501 EDAA

Bill Number & Chapter: H801 (Ch. 386), H805 (Ch. 282)

PROGRAM DESCRIPTION: The Office of the State Board of Education provides professional staff support to the eight member State Board of Education in fiscal, academic, legal, policy and personnel areas. The State Board of Education is responsible for the general supervision, governance, and control of Idaho's public education system from kindergarten through the doctoral level.

DIVISION SUMMARY:	FY 2003 Total Appr	FY 2003 Actual	FY 2004 Total Appr	FY 2005 Request	FY 2005 Gov Rec	FY 2005 Approp
BY FUND SOURCE						
General	5,247,700	4,604,600	3,574,300	5,189,600	5,097,100	4,097,100
Dedicated	1,164,800	474,200	543,100	631,900	632,900	132,900
Federal	373,000	196,600	324,600	5,230,800	5,230,800	5,230,800
Total:	6,785,500	5,275,400	4,442,000	11,052,300	10,960,800	9,460,800
Percent Change:		(22.3%)	(15.8%)	148.8%	146.8%	113.0%
BY EXPENDITURE CLASSIFICATION						
Personnel Costs	1,493,000	1,170,700	1,278,000	1,517,100	1,528,400	1,582,400
Operating Expenditures	5,193,200	4,067,800	3,067,400	8,216,500	8,145,200	7,091,200
Capital Outlay	2,600	0	700	31,500	0	0
Trustee/Benefit	96,700	36,900	95,900	1,287,200	1,287,200	787,200
Total:	6,785,500	5,275,400	4,442,000	11,052,300	10,960,800	9,460,800
Full-Time Positions (FTP)	21.00	21.00	19.40	21.00	21.00	22.00

In accordance with Section 67-3519, Idaho Code, this division is authorized no more than 22.00 full-time equivalent positions at any point during the period July 1, 2004 through June 30, 2005.

DECISION UNIT SUMMARY:	FTP	General	Dedicated	Federal	Total
FY 2004 Original Appropriation	19.40	5,067,500	130,900	148,200	5,346,600
Reappropriations	0.00	6,800	412,200	176,400	595,400
1. Fed Funds for Achievement Stds	0.00	(1,500,000)	0	0	(1,500,000)
FY 2004 Total Appropriation	19.40	3,574,300	543,100	324,600	4,442,000
Non-Cognizable Funds and Transfers	0.00	0	500,000	4,877,800	5,377,800
FY 2004 Estimated Expenditures	19.40	3,574,300	1,043,100	5,202,400	9,819,800
Removal of One-Time Expenditures	0.00	(6,800)	(912,200)	(5,054,200)	(5,973,200)
Base Adjustments	(0.40)	1,500,000	0	(39,400)	1,460,600
Base Reduction	0.00	(1,000,000)	0	0	(1,000,000)
FY 2005 Base	19.00	4,067,500	130,900	108,800	4,307,200
Personnel Cost Rollups	0.00	16,800	0	7,200	24,000
Nonstandard Adjustments	0.00	(7,600)	0	0	(7,600)
Change in Employee Compensation	0.00	20,400	2,000	0	22,400
FY 2005 Maintenance (MCO)	19.00	4,097,100	132,900	116,000	4,346,000
1. State Education Agency Assumption	3.00	0	0	5,114,800	5,114,800
FY 2005 Total Appropriation	22.00	4,097,100	132,900	5,230,800	9,460,800
Change From FY 2004 Original Approp.	2.60	(970,400)	2,000	5,082,600	4,114,200
% Change From FY 2004 Original Approp.	13.4%	(19.1%)	1.5%	3,429.6%	76.9%

APPROPRIATION HIGHLIGHTS: This budget is a 19.1% General Fund decrease, a 1.5% dedicated fund increase and a 3,429.6% federal fund increase for an overall increase from the FY 2004 original appropriation of 76.9%. The high dollar activity in this appropriation is due primarily to the State Board of Education assuming State Education Agency (SEA) responsibilities from the State Department of Education. Each state's SEA is the agency to which all federal education dollars flow. The federal fund spending authority will be used for, primarily, state assessments as required by the No Child Left Behind Act, but also for teacher quality and language acquisition activities in the public schools. The Governor authorized expenditure of these non-cognizable funds for FY 2004. They were appropriated as an ongoing enhancement by legislative action beginning in FY 2005. Also included are three new full-time equivalent positions to help the Board office with the additional SEA workload.

This appropriation begins with a FY 2004 one-time, General Fund rescission of \$1,500,000. These savings were possible because the new federal funds could be used for the Board's Achievement Standards assessment contract. Section 6 of the appropriation bill is an emergency clause that makes the rescission effective immediately upon passage and approval of the bill. Since it was a one-time action, the rescinded amount was restored as a Base Adjustment. The FY 2005 Base was then reduced by \$1,000,000 (\$611,700 one-time, \$388,300 ongoing). Again, those savings were possible due to federal funds being available to replace a portion of the General Fund money appropriated for the Achievement Standards assessment. The ongoing reduction better aligns appropriations with expenditures.

Consistent with most other appropriations, funds are included for Personnel Cost Rollups (employer-paid health benefit increases) and a 2% Change in Employee Compensation (general, merit-based pay increase) with an additional one-time 1% CEC increase contingent upon a prescribed Fiscal Year 2004 ending General Fund balance (H805). Nonstandard Adjustments reflect the net changes in Attorney

General, State Controller, State Treasurer and insurance fees.

Section 4 of the bill addresses the \$500,000 of dedicated, non-cognizable funds for which spending authority was granted in FY 2004. That sum was donated by the Idaho Hospital Association (IHA) and intended to be put toward a cooperative effort between the State Board of Education and the IHA to get more nurses to the bedside. Later, the IHA requested a return of their money to allow them to work toward the same goal in a different way. Section 4 directs those dedicated funds to be reimbursed to the IHA after adjusting for reasonable interest earnings and administrative charges.

Intent language is also included to allow the Board office to share some narrowly defined administrative resources with the Division of Professional-Technical Education and the Division of Vocational Rehabilitation provided that doing so does not impair the individual agencies' ability to fulfill their individual missions.

FY 2005 APPROPRIATION:	<u>FTP</u>	<u>Pers. Cost</u>	<u>Oper Exp</u>	<u>Cap Out</u>	<u>T/B Pymnts</u>	<u>Lump Sum</u>	<u>Total</u>
G 0001-00 General	16.18	1,204,500	2,806,700	0	85,900	0	4,097,100
D 0349-00 Miscellaneous Rev	0.00	2,000	120,900	0	10,000	0	132,900
F 0348-00 Federal Grant	5.82	375,900	4,163,600	0	691,300	0	5,230,800
Totals:	22.00	1,582,400	7,091,200	0	787,200	0	9,460,800